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# The National Child Benefit and Social Assistance



Ontario

# National Child Benefit and Social Assistance

This booklet will provide you with information on the National Child Benefit and explain how the National Child Benefit affects your Social Assistance Allowance.

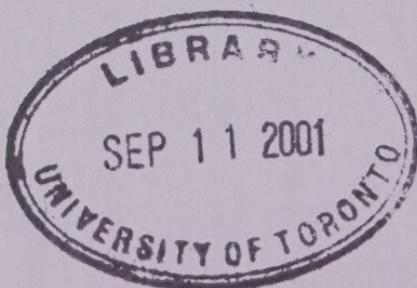
To help you read this booklet here are some of new words and short forms:

## New word

Canada Child Tax Benefit  
Child Tax Benefit  
National Child Benefit  
National Child Benefit Supplement  
Working Income Supplement

## Short form

CCTB  
CTB  
NCB  
NCBS  
WIS



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# National Child Benefit and Social Assistance

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## **National Child Benefit and Social Assistance**

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## **National Child Benefit (NCB)**

### **What is the National Child Benefit?**

The National Child Benefit is a new initiative, designed by federal, provincial and territorial governments to improve benefits for low-income families with children.

There are two parts to the National Child Benefit:

- (i) the creation of the Canada Child Tax Benefit that combines your Child Tax Benefit with a new national supplement; and
- (ii) an Ontario strategy to invest dollars in benefits for low-income families with children (see page 12).

The National Child Benefit will come into effect across Canada in July 1998.

# Canada Child Tax Benefit (CCTB)

### What is the new Canada Child Tax Benefit?

- CCTB is a tax-free monthly payment provided to eligible families to help them with the cost of raising children under age 18.
- The new CCTB provides a basic benefit amount. For families with net income under \$25,921, a new National Child Benefit Supplement (NCBS) will also be provided.
- The new NCBS replaces the federal Working Income Supplement (WIS) (See page 8).

### What are the amounts payable under CCTB?

CCTB will provide a *maximum annual* amount of:

- \$1,625 for the *first* child  
(up \$605 from current benefit of \$1,020)
- \$1,425 for the *second* child  
(up \$405 from current benefit of \$1,020)
- \$1,425 for each *additional* child  
(up \$330 from current benefit of \$1,095)

These maximum amounts will apply to all families with net family income *up to* \$20,921. These amounts will decrease as family income rises. Families with incomes *above* \$25,921 will receive the same benefits as they did under the previous Child Tax Benefit.

### **What will my CCTB amount be based on?**

Canada Child Tax Benefit amounts are based on your previous year's income and family situation, as reported to Revenue Canada.

You must file an income tax return to receive the CCTB. If you are eligible for the CCTB, Revenue Canada will send you an eligibility notice in July 1998. This notice explains what your CCTB will be for the next 12 months (if your family situation does not change).

**Please keep your Revenue Canada  
CCTB notice for your records ...  
you will only receive it once.**

### **Do I need to apply for CCTB if I am already receiving the existing federal Child Tax Benefit?**

No. If you are already receiving the existing federal Child Tax Benefit you will automatically begin to receive the new CCTB.

If your family situation changes (for example, a new child), you should contact Revenue Canada. They will send you a Child Tax Benefit Application (Form RC66), which you should complete and return to Revenue Canada. Changes can be reported at any time.

## National Child Benefit and Social Assistance

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### National Child Benefit Supplement (NCBS)

#### What is it?

The new National Child Benefit Supplement is the increased portion of the Canada Child Tax Benefit and replaces the federal Working Income Supplement (WIS). With it, your monthly CCTB amount is calculated as follows:

$$\text{CTB} + \text{NCBS} = \text{CCTB}$$

| No. of Children | Child Tax Benefit (CTB) | National Child Benefit Supplement (NCBS) | Canada Child Tax Benefit (CCTB) Total |
|-----------------|-------------------------|--|---------------------------------------|
| 1               | \$ 85.00                | \$ 50.41                                 | \$ 135.41                             |
| 2               | \$ 170.00               | \$ 84.16                                 | \$ 254.16                             |
| 3               | \$ 261.25               | \$ 111.66                                | \$ 372.91                             |
| 4               | \$ 352.50               | \$ 139.16                                | \$ 491.66                             |
| 5               | \$ 443.75               | \$ 166.66                                | \$ 610.41                             |

The National Child Benefit Supplement provides \$ 27.50 for each additional child.

### **How will the National Child Benefit Supplement affect my social assistance payment?**

*The increased portion* – the National Child Benefit Supplement (NCBS) is chargeable as income for social assistance purposes. In other words, the amount of your NCBS payment will be deducted from your social assistance payment. The overall amount of income that you receive from CCTB and social assistance should stay the same.

### **How will I know what my NCBS amount is?**

The notice you receive from Revenue Canada in July 1998 will identify your NCBS amount.

### **Why should I apply for the CCTB if social assistance charges it as income?**

It is a condition of eligibility that social assistance clients seek out all available sources of income, including the CCTB.

Also, this additional money will continue to be available to you when you leave social assistance.

# National Child Benefit and Social Assistance

## Here's an example:

**Before July 1998, Jane Doe received:**

|                    |                  |
|--------------------|------------------|
| CTB amount:        | \$ 85.00         |
| Social assistance: | <u>\$ 957.00</u> |
| Total support:     | = \$1042.00      |

**After July 1998, Jane Doe's CCTB payment  
(from Revenue Canada)**

**(Jane was not in receipt of WIS in June 1998)**

|             |                     |
|-------------|---------------------|
| CTB amount: | \$ 85.00            |
| NCBS:       | Add <u>\$ 50.41</u> |
| Total CCTB: | = \$135.41 (A)      |

**Jane Doe's social assistance payment:**

|                                    |                          |
|------------------------------------|--------------------------|
| Social assistance entitlement:     | \$957.00                 |
| NCBS:                              | Subtract <u>\$ 50.41</u> |
| New social assistance entitlement: | = \$906.59 (B)           |

**So, Jane Doe is receiving the  
same total amount of money.**

|  |                          |
|--|--------------------------|
| Total CCTB:                                      | \$ 135.41 (A)            |
| Total social assistance:                         | Add <u>\$ 906.59</u> (B) |
| Total amount from CCTB<br>and social assistance: | <b>\$1042.00</b>         |

# National Child Benefit and Social Assistance

Try your own example on this page  
CCTB payment with NCBS Deduction

Your CCTB payment (from Revenue Canada):

CTB amount: \_\_\_\_\_

NCBS: Add \_\_\_\_\_

Total CCTB: = \_\_\_\_\_ (A)

Your social assistance payment:

Social assistance entitlement: \_\_\_\_\_

NCBS: Subtract \_\_\_\_\_

New social assistance entitlement: = \_\_\_\_\_ (B)

Your overall income from CCTB and social assistance:

Your total CCTB: \$ \_\_\_\_\_ (A)

Your total social assistance: Add \$ \_\_\_\_\_ (B)

Your total amount from CCTB  
and social assistance: = \$ \_\_\_\_\_

# Working Income Supplement (WIS)

You only need to read this section (pages 8-11) if you were in receipt of the Working Income Supplement in June 1998.

### A few facts about WIS:

- WIS no longer exists as of July 1998. It is replaced by the National Child Benefit Supplement and is rolled into CCTB.
- If you received the maximum WIS before July 1998, you will not see an increase in your July CCTB.

**Example of maximum WIS in 1997 (1 child) and CCTB for July 98**

| Monthly amounts | July 97 | July 98      |
|-----------------|---------|--------------|
| WIS             | \$ 50   | \$ 0         |
| CTB             | \$ 85   | \$ 85        |
| NCBS (increase) |         | \$ 50        |
| Total           | \$135   | \$135 (CCTB) |

### **WIS and Social Assistance**

If you received social assistance and WIS in June and expected to receive WIS in July, the amount deducted from your social assistance payment (NCBS) *may be different* than the amount you see on the CCTB notice from Revenue Canada.

There should be no change in the overall income you receive as a result of the NCB. This is because you will be compensated for any difference between the WIS and the new NCBS amount.

This compensation will occur for a period of up to one year or when you leave social assistance, whichever comes first. This is to ensure that your overall income support is the same when the NCB is implemented and the WIS disappears in July 1998.

## National Child Benefit and Social Assistance

### Here's an example

#### John Smith's social assistance, CTB & WIS payments – June 1998:

|  |                 |
|--|-----------------|
| CTB Basic amount:                      | \$ 85           |
| WIS:                                   | + \$ 20         |
| Social assistance:                     | + <u>\$ 957</u> |
| Total social assistance, CTB, and WIS: | = <b>\$1062</b> |

#### John's social assistance & CCTB payments – July 1998 (before social assistance NCBS deduction):

|                    |                 |
|--------------------|-----------------|
| CTB Basic amount:  | \$ 85           |
| NCBS:              | + \$ 30         |
| Social assistance: | + <u>\$ 957</u> |
| Total:             | = <b>\$1072</b> |

#### John's social assistance payment will look like this:

|                                    |                |
|------------------------------------|----------------|
| Social assistance entitlement:     | \$957          |
| Less NCBS charge:                  | <u>\$10</u> ** |
| New social assistance entitlement: | <b>\$947</b>   |

\*\* The NCBS charge is reduced so that John's overall income will remain the same (comparing his June 1998 overall income to his August 1998 overall income).

|   |                 |
|---|-----------------|
| John's total CCTB (\$85 + \$30):                          | \$ 115          |
| John's total social assistance:                           | + <u>\$ 947</u> |
| John's total payments from CCTB<br>and social assistance: | = <b>\$1062</b> |

# National Child Benefit and Social Assistance

**Try your own CCTB & WIS example on this page**

## Your social assistance, CTB & WIS payments – June 1998

CTB amount: \_\_\_\_\_  
WIS: + \_\_\_\_\_  
Social assistance: + \_\_\_\_\_  
Total social assistance, CTB, and WIS: = \_\_\_\_\_

## Your social assistance & CCTB payments – July 1998 (before social assistance NCBS deduction):

CTB Basic amount: \_\_\_\_\_  
NCBS: + \_\_\_\_\_  
Social assistance: + \_\_\_\_\_  
Total: = \_\_\_\_\_

### Your social assistance cheque will look like this:

Social assistance entitlement: \_\_\_\_\_  
Less NCBS charge: - \_\_\_\_\_ \*\*  
New social assistance entitlement: = \_\_\_\_\_

\*\* The NCBS charge is reduced so that your overall income will remain the same.

Your total CCTB: \_\_\_\_\_  
Your total social assistance: + \_\_\_\_\_  
Your total payments from CCTB:  
and social assistance: = \_\_\_\_\_

# **Reinvesting in Programs and Benefits for Families and Children**

## **Ontario's Reinvestment Strategy**

An important part of the National Child Benefit is that Ontario will put more money into benefits for children and their families.

## **The Ontario Child Care Supplement for Working Families**

This new program is designed to provide assistance to low and middle income working families. Once legislation is passed, the program would provide a monthly supplement of up to a maximum of \$85 for each child under age seven, (\$1,020 annually).

The supplement would be calculated as a percentage of family earnings. Parents who incur child care expenses in order to attend school or a training course would be eligible. Working families where one parent stays at home to care for their children would also be eligible for the supplement.

## **National Child Benefit and Social Assistance**

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The maximum amount would go to families with a net income of \$20,000 or less. The supplement declines in value as family income rises above \$20,000.

Payments to families benefiting from child care subsidies would be further adjusted to reflect costs covered by these subsidies.

The first payments will be sent later this year and would be calculated based on amounts reported on 1997 income tax returns.

Families would be required to apply for the new Ontario Child Care Supplement for Working Families through the Ontario Ministry of Finance.

Applications and other program details will be provided shortly.

### **Glossary of Terms**

#### **Child Tax Benefit (CTB)**

This is a federal non-taxable child benefit provided to all low income families with children. This benefit will change in July 1998.

#### **Canada Child Tax Benefit (CCTB)**

The Canada Child Tax Benefit is the new federal non-taxable monthly payment provided to eligible families to help them with the cost of raising children under age 18. The CCTB combines the existing Child Tax Benefit and the National Child Benefit Supplement and is effective July 1998.

#### **National Child Benefit (NCB)**

The National Child Benefit is a new initiative to invest in children, designed by federal, provincial and territorial governments. It is designed to provide financial support for low-income families with children. The NCB includes the Canada Child Tax Benefit and an Ontario strategy to invest dollars in benefits for low-income families with children.

#### **National Child Benefit Supplement (NCBS)**

The increase in the Child Tax Benefit is called the National Child Benefit Supplement. This will be effective in July 1998 and will be treated as income on social assistance payments.

## **National Child Benefit and Social Assistance**

### **Ontario Child Care Supplement for Working Families**

This supplement was announced in the 1998 Ontario Budget. Once legislation is passed, the program would provide assistance to low and middle income working families. Parents who incur child care expenses in order to attend school or take a training course as well as working families where one parent stays home would be eligible. The maximum benefit would be \$85 per month for each child under age seven.

### **Working Income Supplement (WIS)**

WIS was part of the previous Child Tax Benefit (prior to July 1998) as a supplement for people who were working.

WIS no longer exists as of July 1998. It is replaced by the National Child Benefit Supplement.

### **Numbers to call for more information**

**These are the numbers to phone if you have any other questions:**

**Your local office:**

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**Revenue Canada:**

**1-800-387-1193**

A standard linear barcode consisting of vertical black lines of varying widths on a white background.

3 1761 114703226